

**OREL SUPERANNUATION FUND**

ABN 50 380 512 475

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2020**

**Crase Consulting  
Group Pty Ltd**

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# OREL SUPERANNUATION FUND

## TABLE OF CONTENTS

<b>FINANCIAL STATEMENTS</b>	<b>Page</b>
Operating statement	1
Statement of financial position	2
Notes to and forming part of the financial statements	3
Statement by trustees	6
Auditor's report	7
Member's statements	11
Investment policy statement	14

# OREL SUPERANNUATION FUND

## OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>REVENUE</b>			
Employer contributions		51,988	60,590
Rent income		605,875	519,600
Interest income		342	504
<b>Total income</b>		<u>658,205</u>	<u>580,694</u>
<b>EXPENSES</b>			
Accounting fees		3,177	4,920
Audit fees		390	390
Bank charges		227	228
Borrowing costs written off		629	628
Depreciation expense		132,360	132,360
Establishment cost write off		1,917	1,916
Interest expense		194,039	236,329
Legal fees		-	2,811
Supervisory levy		-	518
<b>Total expenses</b>		<u>332,739</u>	<u>380,100</u>
<b>BENEFITS ACCRUED AS A RESULT OF OPERATIONS BEFORE INCOME TAX</b>			
		325,466	200,594
Income tax expense	2	<u>(48,820)</u>	<u>(30,089)</u>
<b>BENEFITS ACCRUED AS A RESULT OF OPERATIONS</b>		<u><u>276,646</u></u>	<u><u>170,505</u></u>

# OREL SUPERANNUATION FUND

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash at bank		867,982	401,960
<b>TOTAL CURRENT ASSETS</b>		<u>867,982</u>	<u>401,960</u>
<b>NON-CURRENT ASSETS</b>			
Prepaid borrowing & establishment costs		629	3,175
Property, plant and equipment Lorimer St Port Melbourne- at cost		9,006,805	9,006,805
Accumulated depreciation		(661,800)	(529,440)
Revaluation increment		3,390,275	3,390,275
<b>TOTAL NON-CURRENT ASSETS</b>		<u>11,735,909</u>	<u>11,870,815</u>
<b>TOTAL ASSETS</b>		<u>12,603,891</u>	<u>12,272,775</u>
<b>LIABILITIES</b>			
Sundry creditor		18,509	-
Provision for income tax	3	39,697	13,099
GST payable		60,327	50,964
Limited recourse borrowing - Bank SA		5,667,000	5,667,000
<b>TOTAL LIABILITIES</b>		<u>5,785,533</u>	<u>5,731,063</u>
<b>NET ASSETS AVAILABLE TO PAY BENEFITS</b>		<u>6,818,358</u>	<u>6,541,712</u>
<i>Represented by:</i>			
<b>LIABILITY FOR ACCRUED MEMBERS' BENEFITS</b>			
Allocated to members' accounts	4	6,818,358	6,541,712
		<u>6,818,358</u>	<u>6,541,712</u>

# OREL SUPERANNUATION FUND

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The trustees have prepared the financial statements on the basis that the fund is a non reporting entity because there are no users dependent on general purpose financial reports. The financial report is therefore a special purpose financial report in order to meet the needs of members.

The financial report has been prepared in accordance with the significant accounting policies disclosed below, which the trustees have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the prior period unless stated otherwise.

The financial statements are prepared on an accruals basis.

The accounting policies that have been adopted in preparation of the report are as follows:

#### (a) Measurement of investments

Investments of the fund have been measured at net market values after allowing for costs of realisation. Changes in the net market value of assets are brought to account in the operating statement in the periods in which they occur.

Net market values have been determined as follows:

- (i) Shares and other securities listed on the Australian Stock Exchange by reference to the relevant market quotation at the reporting date;
- (ii) Mortgage loans by reference to the outstanding principal of the loans;
- (iii) Units in managed funds by reference to the unit redemption price at the reporting date;
- (iv) Insurance policies by reference to the surrender value of the policy;
- (v) Investment properties, plant and equipment at trustees' assessment of their realisable value.

#### (b) Liability for accrued benefits

The liability for accrued benefits is the superannuation fund's present obligation to pay benefits to members and beneficiaries and has been calculated as the difference between the carrying amount of the assets and the carrying amount of the sundry liabilities and income tax liabilities as at the reporting date.

# OREL SUPERANNUATION FUND

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

#### (c) **Income tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantively enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit and loss. Any deferred income tax arising from market revaluations of investments are not recognised until a decision to sell the investment is made.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

# OREL SUPERANNUATION FUND

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
<b>NOTE 2 INCOME TAX EXPENSE</b>		
Prima facie tax payable on operating result before income tax at 15%	48,820	30,089
	<u>48,820</u>	<u>30,089</u>
<i>The income tax expense comprises amounts set aside to:</i>		
Provision for income tax attributable to current year:-	48,820	30,089
	<u>48,820</u>	<u>30,089</u>
<b>NOTE 3 PROVISIONS</b>		
Provision for income tax		
Opening balance	13,099	14,887
Income tax paid	(22,222)	(31,877)
	<u>(9,123)</u>	<u>(16,990)</u>
Current year provision	48,820	30,089
Closing balance	<u>39,697</u>	<u>13,099</u>
<b>NOTE 4 MEMBERS' FUNDS</b>		
Balance at the beginning of the year	6,541,712	6,371,207
Add: Benefits accrued as a result of operations	276,646	170,505
Benefits accrued at the end of the period	<u>6,818,358</u>	<u>6,541,712</u>

# OREL SUPERANNUATION FUND

## TRUSTEES' DECLARATION

The trustees have determined that the fund is not a reporting entity. The trustees have determined that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to these financial statements.

In the opinion of the trustees:

- (i) The financial statements and notes to the financial statements for the year ended 30 June 2020 present fairly the financial position of the Superannuation Fund at 30 June 2020 and the results of its operations for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements; and
- (ii) The financial statements and notes to the financial statements have been prepared in accordance with the requirements of the Trust Deed; and
- (iii) The operation of the Superannuation Fund has been carried out in accordance with its Trust Deed and in compliance with the requirements of the Superannuation Industry (Supervision) Act 1993 during the year ended 30 June 2020.

Signed in accordance with a resolution of the trustees by:

.....  
Mark Orel

.....  
Peter Orel

Dated                    9 December 2020



# OREL SUPERANNUATION FUND

## INDEPENDENT AUDIT REPORT TO THE SMSF TRUSTEES OF OREL SUPERANNUATION FUND

### *(A) Financial Report*

#### **Opinion**

I have audited the special purpose financial report of the Orel Superannuation Fund comprising the Statement of Financial Position as at 30 June 2020, and the operating statement, a summary of significant accounting policies and other explanatory notes.

In my opinion, the financial report presents fairly, in all material respects, in accordance with the accounting policies described in the notes to the financial statements the financial position of the fund at 30 June 2020 and the results of its operations for the year then ended.

#### **Basis for opinion**

My audit has been conducted in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Approved SMSF Auditor's Responsibilities for the Audit of the Financial Report* section of this report.

I am independent of the SMSF in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to this audit and as required by the *Superannuation Industry (Supervision) Regulations 1994* (SISR). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Emphasis of Matter - Basis of accounting**

I draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist the fund meet the requirements of the SMSF's governing rules, *Superannuation Industry (Supervision) Act 1993* (SISA) and the SISR. As a result, the financial report may not be suitable for other purposes and should not be distributed to parties other than the trustees. My opinion is not modified in respect of this matter.

#### **Responsibilities of SMSF trustees for the financial report**

Each SMSF trustee (individual trustee or director of corporate trustee) is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the SMSF's governing rules, SISA and the SISR. Each trustee is also responsible for such internal controls as they determine are necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the trustees are responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees intend to wind-up the fund or have no realistic alternative but to do so.

# **OREL SUPERANNUATION FUND**

## **INDEPENDENT AUDIT REPORT TO THE SMSF TRUSTEES OF OREL SUPERANNUATION FUND**

The trustees are responsible for overseeing the fund's financial reporting process.

### **Approved SMSF auditor's responsibility for the audit of the financial report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of trustees taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I have communicated with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I may identify during the audit.

# OREL SUPERANNUATION FUND

## INDEPENDENT AUDIT REPORT TO THE SMSF TRUSTEES OF OREL SUPERANNUATION FUND

### *(B) Compliance Report*

#### **Approved SMSF Auditor's Opinion**

I have undertaken a reasonable assurance engagement on the fund's compliance, in all material respects, with the applicable provisions of the SISA and the SISR as listed below (the listed provisions) for the year ended 30 June 2020.

sections 17A, 35AE, 35B, 35C(2), 62, 65, 66, 67, 67A, 67B, 82-85, 103, 104, 104A, 105, 109, 126K; and  
Regulations; 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14, 13.18AA

In my opinion, each trustee of the fund has complied, in all material respects, with the listed provisions, for the year ended 30 June 2020.

#### **Basis for Opinion**

I have conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* issued by the Auditing and Assurance Standards Board.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Independence and quality control**

I have complied with the independence and other ethical requirements relating to assurance engagements, and applied Auditing Standards ASQC1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

#### **SMSF's trustee's responsibility**

Each SMSF trustee is responsible for complying with the listed provisions and for the identification of risks that threaten compliance with the listed provisions, controls which will mitigate those risks and monitoring ongoing compliance.

#### **Approved SMSF auditor's responsibility for the compliance report**

My responsibility is to express an opinion on the trustees' compliance, in all material respects, with the listed provisions, for the year ended 30 June 2020. ASAE 3100 *Compliance Engagements* requires that I plan and perform my procedures to obtain reasonable assurance about whether the trustees have complied, in all material respects, with the listed provisions for the year ended 30 June 2020.

An assurance engagement to report on the trustees' compliance with the listed provisions involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements. The procedures selected depend on my judgement, including the identification and assessment of risks of material non-compliance.

# **OREL SUPERANNUATION FUND**

## **INDEPENDENT AUDIT REPORT TO THE SMSF TRUSTEES OF OREL SUPERANNUATION FUND**

My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the listed provisions for the year ended 30 June 2020.

These tests have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered any other provisions of the SISA and the SISR apart from those specified.

### **Inherent limitations**

Due to the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the listed provisions may occur and not be detected.

A reasonable assurance engagement for the year ended 30 June 2020 does not provide assurance on whether compliance with the listed provisions will continue in the future.

**Crase Consulting**  
*Chartered Accountants*

**Peter Honeyman**  
Partner

Dated                      9 December 2020

# OREL SUPERANNUATION FUND

## MEMBERS STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
<b>Mark Orel</b>		
Date of birth	30 December 1962	
Balance at beginning of the year	2,651,030	2,573,796
Employer contributions	28,666	35,000
Allocated earnings	110,827	55,864
Income tax expense	(20,924)	(13,630)
Balance at end of year	<u>2,769,599</u>	<u>2,651,030</u>
The above balance at the end of the year comprises:		
Withdrawal benefit which must be preserved	2,737,272	2,619,825
Withdrawal benefit which is restricted non-preserved	32,327	31,205
	<u>2,769,599</u>	<u>2,651,030</u>
Tax free component	540,000	540,000
Taxable component	2,229,599	2,111,030
	<u>2,769,599</u>	<u>2,651,030</u>

### Withdrawal Benefit

Your withdrawal benefit is the amount you are entitled to on resignation or retirement and represents the sum of :

- member contributions
  - superannuation guarantee contributions
  - award contributions
  - other employer contributions made on your behalf
- and earnings (after income tax) associated with the above contributions.

The preserved portion of your withdrawal benefit is the amount which cannot be paid out until you permanently retire from the workforce on or after age 55. The preservation age is to be increased from 55 to 60, on a phased in basis, by 2025.

# OREL SUPERANNUATION FUND

## MEMBERS STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
<b>Peter Orel</b>		
Date of birth	17 September 1967	
Balance at beginning of the year	2,588,509	2,519,115
Employer contributions	23,322	25,590
Allocated earnings	108,213	56,050
Income tax expense	(19,730)	(12,246)
Balance at end of year	<u>2,700,314</u>	<u>2,588,509</u>
The above balance at the end of the year comprises:		
Withdrawal benefit which must be preserved	2,678,869	2,567,806
Withdrawal benefit which is restricted non-preserved	21,445	20,703
	<u>2,700,314</u>	<u>2,588,509</u>
Tax free component	540,000	540,000
Taxable component	2,160,314	2,048,509
	<u>2,700,314</u>	<u>2,588,509</u>

### Withdrawal Benefit

Your withdrawal benefit is the amount you are entitled to on resignation or retirement and represents the sum of :

- member contributions
  - superannuation guarantee contributions
  - award contributions
  - other employer contributions made on your behalf
- and earnings (after income tax) associated with the above contributions.

The preserved portion of your withdrawal benefit is the amount which cannot be paid out until you permanently retire from the workforce on or after age 55. The preservation age is to be increased from 55 to 60, on a phased in basis, by 2025.

# OREL SUPERANNUATION FUND

## MEMBERS STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
<b>Natasha Orel</b>		
Date of birth	5 February 1968	
Balance at beginning of the year	1,302,173	1,278,296
Allocated earnings	54,438	28,090
Income tax expense on earnings	(8,166)	(4,213)
Balance at end of year	<u>1,348,445</u>	<u>1,302,173</u>
The above balance at the end of the year comprises:		
Withdrawal benefit which must be preserved	1,348,445	1,302,173
	<u>1,348,445</u>	<u>1,302,173</u>
Tax free component	540,000	540,000
Taxable component	808,445	762,173
	<u>1,348,445</u>	<u>1,302,173</u>

### Withdrawal Benefit

Your withdrawal benefit is the amount you are entitled to on resignation or retirement and represents the sum of :

- member contributions
  - superannuation guarantee contributions
  - award contributions
  - other employer contributions made on your behalf
- and earnings (after income tax) associated with the above contributions.

The preserved portion of your withdrawal benefit is the amount which cannot be paid out until you permanently retire from the workforce on or after age 55. The preservation age is to be increased from 55 to 60, on a phased in basis, by 2025.

# OREL SUPERANNUATION FUND

## INVESTMENT POLICY STATEMENT

### 1 Membership profile

The fund has the following number of members	3
The members are	Family
The members are aged	52 to 57

It is not intended that other members will be admitted to the Fund. The current intention is for each of the members to receive a retirement benefit at age 60 or later when they intend retiring from the workforce.

### 2 Benefit design

The benefits provided by the aforementioned superannuation fund ("*the Fund*") principally consist of accumulation benefits. These are based on accumulated net contributions and interest on them.

The Trustee invests Fund assets with regard to the need to realise the investments when the members plan to retire for the purpose of paying benefits by lump sum or allocated pension, as the Trustee decides.

### 3 Future contributions

The members intend to contribute to the Fund as much as their annual earnings permit after taking into account amounts set aside for living expenses and other business activities. Consequently, members will be relying predominantly on investment returns of the Fund to produce benefits for their retirement.

### 4 Investment risk

Members bear the investment risk and rewards. Returns for the Fund's investments are added to members' accounts.

### 5 Investment objectives

The Fund's overall investments objective is to maximise investment return over the medium term to long term, while controlling the investment risk by investing across the range of asset classes. Specifically the Trustee intends:

- to achieve investment returns which exceed the rate of inflation (as measured by the change in the level of Average Weekly Earnings) by at least 2% per annum over periods of 5 years or more;
- to achieve an investments return (net of tax and charges) that exceeds cash rates where measured on a rolling 5 year basis.

Investment performance is monitored regularly.



# OREL SUPERANNUATION FUND

## INVESTMENT POLICY STATEMENT continued

### 6 Fund policy

- The Trustee will seek to maximise returns by following a growth oriented approach to investments, which means that investment in shares and/or property and/or trusts will be an integral part of the Fund's strategy. An occasional negative return may not be avoidable in order to secure the longer term benefits provided by such growth investments.
- The Trustee may retain the services of at least one professional portfolio manager who will have full responsibility for the investment of the assets. Any manager appointed will be expected to display the skills and expertise of a professional fully discretionary portfolio manager with investments objectives compatible with those of the Fund and to meet the requirements for investment managers under the Superannuation Industry (Supervision) Act 1993.

### 7 Insurance

The trustees have determined that it is appropriate for the Fund to hold insurance policies for the members.

### 8 Liquidity

The trustees are of the belief the fund has sufficient liquid investments having regard to its expected cash flow requirements.

### 9 Ability to discharge liabilities

The trustees are of the belief the fund is capable of discharging its existing and prospective liabilities as and when they fall due.

The trustees are of the belief the fund is capable of discharging its existing and prospective liabilities as and when they fall due.

It is not intended that other members will be admitted to the Fund. The current intention is for each of the members to receive a retirement benefit at age 60 or later when they intend retiring from the workforce.

# **OREL SUPERANNUATION FUND**

## **AUDIT REPORT**

### **SELF MANAGED SUPERANNUATION FUND**

<b>Name of auditor</b>	Peter Honeyman
<b>Business name</b>	Crase Consulting
<b>Address of auditor</b>	Level 4, 20 Grenfell Street Adelaide SA 5000
<b>SMSF auditor number</b>	100185199
<b>Name of SMSF</b>	Orel Superannuation Fund
<b>ABN of SMSF</b>	50 380 512 475
<b>Address of SMSF</b>	1A South Road, Thebarton
<b>Year of income being audited</b>	2020